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2010 Life & Annuity Market Conduct Annual Statement

The Market Conduct Annual Statement (MCAS) is an analysis tool that states can use to review market activity of the entire insurance marketplace in a consistent manner and to identify companies whose practices are outside normal ranges. For the 2010 Life & Annuity MCAS, licensed companies with at least \$50,000 in subject life insurance premium and/or annuity considerations were required to participate in the project in Wisconsin. A total of 253 companies participated in the project.

Statewide averages are calculated for up to seven categories depending on the type of insurance reported in the Life & Annuity MCAS. The following statewide averages and charts indicating where the number of reporting companies whose ratios fall within various ranges are for informational purposes only and do not represent standards for market behavior. This information does not establish compliance or non-compliance. MCAS data, company specific ratios and/or statewide averages, may not be used in any form of company advertising or marketing.

Schedule 1: Individual Life Cash Value Products

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	10.93%
Ratio 2. The number of 1035 exchanges to the number of policies issued	4.40%
Ratio 3. The number of surrenders compared to the number of policies issued	73.49%
Ratio 4. The number of policies with loan balances exceeding 25% compared to the number of policies in force	6.32%
Ratio 5. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid	0.64%
Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed	0.23%
Ratio 7. Number of complaints per 1,000 policies in force	0.37#

	Number of companies with ratios falling in the range:											
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	51	51	25	11	11	10	7	3	0	0	1	0
Ratio 2	82	48	12	11	7	5	1	1	2	0	0	1
Ratio 3	15	19	20	11	15	8	5	3	7	4	11	52
Ratio 4	35	185	21	4	0	0	0	0	1	0	0	0
Ratio 5	171	34	11	2	1	2	0	0	0	0	2	0
Ratio 6	196	22	2	0	2	1	0	0	0	0	0	0

	Number of complaints per 1,000 policies in force											
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 7	140	27	21	19	11	11	6	6	0	3	0	2

Schedule 2: Individual Life Non-Cash Value Products

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	20.68%
Ratio 2. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid	1.85%
Ratio 3. The number of claims denied, resisted or compromised compared to the number of claims closed	2.47%
Ratio 4. Number of complaints per 1,000 policies in force	0.27#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	32	20	20	24	19	5	3	1	3	0	0	0
Ratio 2	120	5	5	2	1	0	0	0	0	0	1	0
Ratio 3	122	7	2	0	1	2	0	0	0	0	1	0

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	168	18	8	5	4	7	2	3	2	1	0	3

Schedule 3: Group Life Products

Beginning with the 2010 data year, group life insurance data is no longer collected as a part of the MCAS.

Schedule 4: Individual Fixed Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	24.26%
Ratio 2. The number of 1035 exchanges to the number of policies issued	13.91%
Ratio 3. The number of surrenders compared to the number of policies issued	63.66%
Ratio 4. Number of complaints per 1,000 policies in force	0.72#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	27	14	19	16	17	5	5	5	2	0	0	0
Ratio 2	30	30	24	10	8	0	2	1	3	0	1	1
Ratio 3	9	8	15	7	7	3	4	8	3	6	3	37

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	97	4	5	6	6	13	3	3	1	1	0	4

Schedule 5: Individual Variable Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	25.47%
Ratio 2. The number of 1035 exchanges to the number of policies issued	10.71%
Ratio 3. The number of surrenders compared to the number of policies issued	93.30%
Ratio 4. Number of complaints per 1,000 policies in force	0.43#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	12	4	11	14	8	2	2	2	2	0	2	0
Ratio 2	16	11	19	5	2	1	2	0	0	0	2	1
Ratio 3	1	1	5	2	2	4	1	2	7	1	0	33

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	47	9	5	3	8	2	4	2	2	1	0	2